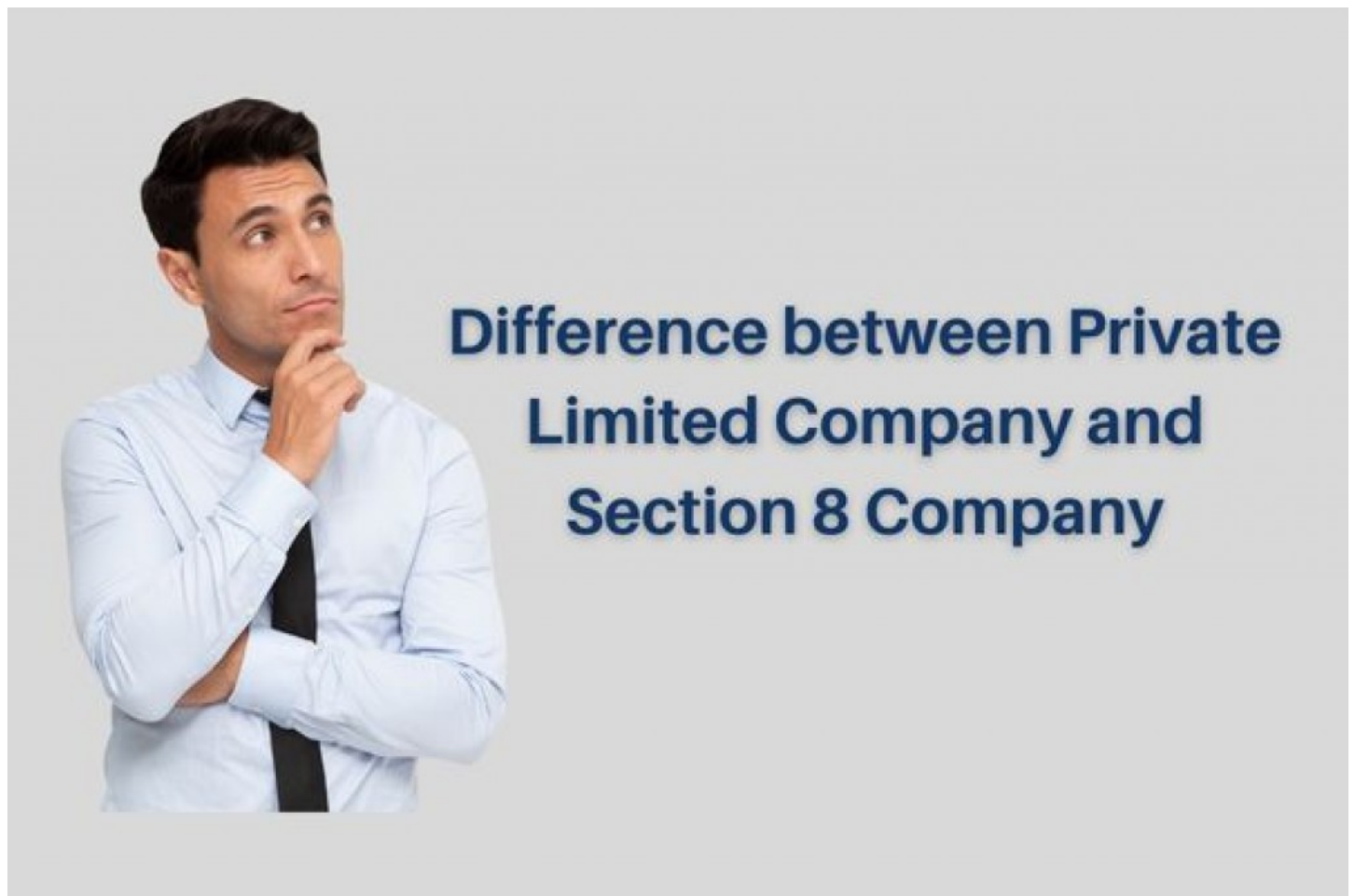


Difference between Private Limited Company and Section 8 Company | Online Legal India



kolkata, West bengal Dec 11, 2022 ([IssueWire.com](https://www.IssueWire.com)) - The Online Legal India platform is one of the fastest-growing legal service platforms. From Online Legal India, you can get legal services.

Private Limited Companies & Section 8 Companies are 2 distinct types of corporations with distinct goals. Both corporations are non-government and require a minimum of two shareholders and two directors to be founded; however, the Section 8 Company is formed for philanthropic reasons, whilst the Private Limited Company is formed for profit maximisation.

Private Limited Company

A private limited company is a personally held firm for small enterprises. This company structure limits owner responsibility to their shareholdings, limits the number of shareholders to 200, and prohibits shareholders from openly exchanging their shares.

Section 8 Company

An NGO (Non-Governmental Organisation) is a non-profit or philanthropic organisation. An NGO registered as a Section 8 company under the Companies Act, 2013 ('Act') is administered by the Ministry of Corporate Affairs ('MCA'), whereas an NGO registered as a trust or society is governed by the State Government's registrar of state.

In comparison to trust and society, [Section 8 company registration](#) offers greater advantages. This sort of firm is more trusted by government agencies, funders, and other stakeholders.

Primary Differences between Private Limited Company and Section 8 Company

Private Limited Company Registration Process

Apply for Name Approval

You can submit an application for the desired name along with your incorporation application. Part B of the SPICe+ allows for incorporation applications. SPICe+, like the previous SPICe form, allows for a combined application for incorporation & name approval. Parts A and B of the SPICe+ form can be filed simultaneously. This type, however, can only have one name.

Acquire DSC & DIN

To file the forms for company registration, digital signatures are necessary. The registration is entirely online, and all forms need a digital signature. [DSC](#) is required in the Memorandum of Association (MOA) and Articles of Association for all subscribers and witnesses (AOA).

DIN is a director identification number. Anyone who wishes to be a director in a firm must get it. One DIN is sufficient to serve as a director in any number of businesses.

SPICe+ Form (INC-32)

From February 23, 2020, the MCA will accept Form SPICe+ for the new company registration. In addition, the incorporation under Part-B of the SPICe+ form is also web-based, which simplifies company formation.

e-MoA (INC-33) & e-AoA (INC-34)

E-MoA is for electronic Memorandum of Association, whereas eAoA stands for electronic Articles of Association. These forms were created to make the process of [company registration in India](#) easier.

Application of PAN and TAN

You may also apply for your company's PAN and TAN using one single SPICe+ form. Following the submission of the SPICe+ form, the system will produce these forms automatically. After the SPICe+ Form is approved, the PLC Certificate of Incorporation is issued together with the PAN assigned by the Income Tax Department. The MCA will send an email with the Certificate of Incorporation, PAN, and TAN. The PAN card will be issued by the Income Tax Department.

Section 8 Company Registration

- Acquire a DSC of the suggested Section 8 Company Directors. After receiving a DSC, submit

Form DIR-3 to the ROC to get a DIN. To receive a DSC, you must provide proof of identity and address.

- Once the DIR-3 is authorised, the ROC will assign the prospective directors a DIN.
- Submit Form INC-12 to the ROC in order to apply for a Section 8 company registration, together with the essential documentation listed above.
- Once the form is accepted, a licence will be granted in Form INC-16 under Section 8.
- After acquiring the licence, file the SPICe+ Form with the ROC for incorporation and the above-mentioned documents.

Conclusion

As a result, the structures of both companies are relatively similar, but they are completely different in terms of their principal mission and company registration process, as Section 8 companies are founded for charity purposes, whilst Private Limited corporations are formed for profit-making objectives.

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Source : Online Legal India

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